



**Audit Committee Performance Report
(Fiscal Year 2022)**

A committee of the Board of Directors of the City Cement Company

Report Date:	12/03/2023
Sponsor:	Audit Committee
Handled by:	Audit Committee Board of Directors General Assembly



To: Board Chairman and Members

Peace, mercy and blessings of Allah be upon you,

Subject: The Works Carried out by the Audit Committee during the Fiscal Year 2022

With reference to the approval of the General Assembly of the City Cement Company of electing a new Board of Directors for the 6th session effective 20/6/2022, and based on the requirements and regulations of the Capital Market Authority and the Companies Law promulgated by the Ministry of Commerce, the Board of Directors of City Cement Company nominated the following audit committee members:

Mr. Saleh bin Suliman Al Rajhi a Board member

Mr. Mr. Abdulaziz bin Abdullatif Al Dulaijan, a Committee non-Board member.

Mr. Mohammed Hamdan Al-Sorayai, a Committee non-Board member.

Mr. Saleh bin Hassan Al Sheikh a Committee non-Board member.

Audit Committee for the Calendar Year 2022:

5th session:

Name	Designation	1	2	3
		02/03/2022	20/03/2022	16/05/2022
Mr. Mohammed bin Hikmat Al-Zaiem	Committee Chairman	✓	✓	✓
Mr. Omar bin Hamad AlMishaal	Committee Member	✓	✓	✓
Mr. Mohammed bin Hamdan Al-Sorayai	Committee Member (Non-Board Member)	✓	✓	✓

6th session:

Name	Designation	1	2
		08/08/2022	02/11/2022
Mr. Saleh bin Suliman Al Rajhi	Committee Chairman	✓	✓
Mr. Abdulaziz bin Abdullatif Al Dulaijan	Committee Member (Non-Board Member)	✓	✓
Mr. Mohammed bin Hamdan Al-Sorayai	Committee Member (Non-Board Member)	✓	✓
Mr. Saleh bin Hassan Al Sheikh	Committee Member (Non-Board Member)	✓	✓

Scope of Function

The main goals of the Committee are to control and review how effectively the following are performing:

- Internal Control System through the works carried out by the internal and external auditors of the Company and reviewing the quarterly and annual financial statements.
- The performance of the Company's external auditor and ensuring his independence.
- The performance of the Company's internal auditor and ensuring his independence.
- The Company compliance with the laws and regulations promulgated by the legislative authorities.
- Recommending the external auditor to audit the Company's accounts and quarterly and annual financial statements and determining its remuneration.

In addition to its role as a connecting link between the Board of Directors and the internal and external auditors.

Works and Achievements during 2022:

The Audit Committee during the fiscal year 2022 held five (5) meetings involving the most important works within its scope of function as follows:

- Discussing the Company's quarterly financial statements and making recommendation to the Board of Directors to approve it after reviewing and discussing it with the executive management and the external auditor.
- Discussing the Company's annual financial statements and making recommendation to the Board of Directors to approve it after reviewing and discussing it with the executive management and the external auditor.
- Decision No. (1/1-2022/5/E) dated 02/03/2022; the Committee approved the preliminary financial statements of the Company for the period from 01/01/2021 to 31/12/2021. This recommendation will be raised to the Board of Directors for approval.
- Supervising the work of the Company's external auditor and ensuring that their independence is maintained and that no impediments affect their progress of work, and evaluating how efficiently and effectively they are performing.
- Approving the annual internal audit plan for the fiscal year 2022 based on the degree of risks the Company may be exposed to, ensuring its implementation within the specified schedule, and reviewing it periodically to check whether it is completed.
- Discussing the outcomes of the work of the internal auditor periodically, analyzing the risks to which the Company may be exposed, studying their effect, and modifying them accordingly. • Studying the feedback received from the Company's internal and external auditors and following up their completion according to the schedule agreed upon with the Company management.
- Recommending the Company's external auditor to be appointed and determining its fees from among the nominated ones to audit the Company's accounts for the year 2022 and the first quarter of 2023.



According to the foregoing, with the implementation of the internal audit plan approved by the Audit Committee and the works carried out by the auditor during the fiscal year 2022, it turned out for the Committee that there was no substantial weakness in the internal control procedures set by the Company. The Audit Committee of the City Cement Company recommends that the improvement of efficiency and effectiveness of the applicable control policies and procedures be continued and updated in line with the size of the Company's activity and nature of business.

**Secretary of the
audit committee**

Taif Falah Alharthi

**Chairman of the
audit committee**

Saleh bin Suliman Al Rajhi